

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Annual Compliance Review, 2022

Docket No. ACR2022

CHAIRMAN'S INFORMATION REQUEST NO. 5

(Issued January 18, 2023)

To clarify the basis of the Postal Service's FY 2022 *Annual Compliance Report* (ACR), filed December 29, 2022,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than January 25, 2023.

Market Dominant Special Services

1. Please refer to the Postal Service's withdrawal of a proposed rule related to Caller Service—Customized Address, published in the *Federal Register* on January 12, 2023.²
 - a. Please discuss the Postal Service's reasoning for withdrawing the proposed rule. Please include information related to the "concerns expressed by members of the mailing community during the proposed rule comment period" as well as any other factors that contributed to the Postal Service's decision to withdraw the proposed rule. See 88 Fed. Reg. 2047.
 - b. In Docket No. R2022-1, the Commission approved the Postal Service's proposed addition of the new Caller Service—Customized Address price

¹ United States Postal Service FY 2022 *Annual Compliance Report*, December 29, 2022 (FY 2022 ACR).

² Postal Service Caller Service—Customized Address, 88 Fed. Reg. 2046 (Jan. 12, 2023), available at <https://www.govinfo.gov/content/pkg/FR-2023-01-12/pdf/2023-00433.pdf>.

category, which has been added to the Mail Classification Schedule (MCS).³ Please provide the Postal Service's plans to address the addition of the MCS language pertaining to Caller Service-Customized Addressed that was approved in Order No. 6188.

Package Services

2. Please refer to the Postal Service's discussion of Media Mail/Library Mail in the FY 2022 ACR. FY 2022 ACR at 43-44.
 - a. Please discuss in detail the drivers behind unit costs increasing by \$0.22 in FY 2022 for Media Mail/Library Mail.
 - b. Please describe any plans the Postal Service has to review Media Mail/Library Mail's costs and any steps it intends to take in order to reduce the product's costs in FY 2023 or future years.

Service Performance

3. In Response to CHIR No. 1, question 1, which requested the "Quarter 4, FY 2022 service standards for all Origin 3-Digit ZIP Code and Destination 3-Digit ZIP Code pairs," the Postal Service provided Excel file "ACR22_Q1 - MD SS 3D Pair.xlsx."⁴ This file contains 850,950 unique Origin and Destination 3-Digit ZIP Code pairs. This file also contains 915 unique Origin 3-Digit ZIP Codes. In Response to CHIR No. 1, question 2, which requested the "average daily volume of First-Class Mail for each 3-Digit O/D pair for FY 2022," the Postal Service provided Excel file "ACR22_ChIR1_Q2-FCMVol.xlsx." This file contains 451,863

³ Docket No. R2022-1, Order on Price Adjustments for First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes, May 27, 2022, at 102-05, Attachment at 85 (Order No. 6188); Postal Regulatory Commission, Mail Classification Schedule (MCS), October 3, 2021 (with revisions through October 31, 2022), § 1520.2, available at <http://www.prc.gov/mail-classification-schedule>.

⁴ Responses of the United States Postal Service to Questions 1-6 of Chairman's Information Request No. 1, January 10, 2023 (Response to CHIR No. 1).

unique Origin and Destination 3-Digit ZIP Code pairs. This file also contains 646 unique Origin 3-Digit ZIP Codes.

- a. Please explain why the service standards Excel file “ACR22_Q1 - MD SS 3D Pair.xlsx” contains 269 more instances of unique Origin 3-Digit ZIP Codes as compared with the average daily volume Excel file “ACR22_ChIR1_Q2-FCMVol.xlsx.”
- b. The following table contains 269 3-Digit ZIP Codes. For each of these, there is a service standard for mail destinating in the same (Origin) 3-Digit ZIP Code (*i.e.*, “turnaround” mail) in Excel file “ACR22_Q1 - MD SS 3D Pair.xlsx,” but no corresponding volume in Excel file “ACR22_ChIR1_Q2-FCMVol.xlsx.” Please discuss whether each of these “turnaround” O/D pairs had an average daily volume of 0 for FY 2022.

3-Digit O/D pairs not included in “ACR22_ChIR1_Q2-FCMVol.xlsx”													
5	79	133	204	259	332	413	506	609	692	772	829	878	948
6	81	137	205	261	346	415	508	615	703	779	830	879	961
8	83	138	209	262	347	416	509	635	713	780	831	880	967
25	84	141	215	263	349	417	510	636	714	783	835	882	978
28	89	149	221	265	351	418	516	639	716	788	836	884	979
36	100	154	222	266	357	424	526	644	717	789	842	885	990
39	102	155	227	268	363	426	542	648	728	792	844	889	994
41	104	157	230	270	364	433	555	649	733	793	845	893	996
45	107	158	232	273	367	434	556	664	736	795	847	894	999
46	108	162	239	279	369	438	567	668	738	798	851	898	
48	110	163	247	289	375	439	572	669	739	807	855	901	
51	111	164	248	291	378	444	575	670	746	812	856	903	
52	116	167	249	297	390	455	576	674	747	813	859	915	
55	121	169	250	298	391	457	584	675	755	814	860	916	
58	123	179	251	308	393	459	586	677	758	821	865	919	
59	124	181	252	311	399	470	592	678	759	822	873	936	
65	126	192	254	315	404	476	593	679	762	823	874	938	
72	127	198	255	316	408	487	595	686	766	824	875	942	
73	128	202	256	318	409	491	607	689	768	825	876	943	

- c. Excel file “ACR22_ChIR1_Q2-FCMVol.xlsx” contains First-Class Single Piece letter volume of 22,767,447 for “Two-Day” and 14,230,536 for “Three-To-Five-Day.” Please confirm that there were 302 operating days in the year in FY 2022 for a total First-Class Single Piece volume of $((22,767,447 + 14,230,536) * 302) = 11,173,390,949$. If not confirmed, please explain.
4. In response to Order No. 6198, Library Reference USPS-FY22-29, Excel file “24 hr clock FY 2022.xlsx” contains information on “Site-Specific Operating Plans (SSOP) performance results.”⁵ In previous years, the performance results related to the national operational goal contained information on the time of day that operations were occurring. For example, in FY 2021, the national goal for the letters cancellation operation was “Clearance by 2000.”⁶
- a. Please provide the range of clearance time targets across the SSOPs for FY 2022, by operation. If this information is not available, please explain.
 - b. Please provide five example SSOPs for facilities with non-standard operating plans with details on each operation. If this information is not available, please explain.
 - c. Please provide the SSOP for the facility with the highest percentage achievement of target in FY 2022. If this information is not available, please explain.

⁵ Docket No. ACR2021, Order Granting Motion of the United States Postal Service Requesting Clarification of Certain ACD Directives, June 16, 2022, at 4 (Order No. 6198); Library Reference USPS-FY22-29, folder “Other domestic FCM data directives,” Excel file “24 hr clock FY 2022.xlsx,” December 29, 2022.

⁶ See Docket No. ACR2021, Library Reference USPS-FY21-29, Excel file “FY21 FCM Q4 24 hr clock.xlsx,” December 29, 2021.

- d. Please provide the SSOP for the facility with the lowest percentage achievement of target in FY 2022. If this information is not available, please explain.

Interagency Agreements

5. Please refer to the Preface to Library Reference USPS-FY22-NP27, December 29, 2022, wherein the Postal Service provides a list of categories of interagency agreements pursuant to 39 U.S.C. §§ 3704-3705.⁷ For each category of interagency agreement listed, please provide copies of each specific agreement with another Government agency that was active during FY 2022. For each specific agreement, this should include the identity of the other Government agency with which the agreement was made and the specific terms of the agreement, including its execution date, implementation date, and expiration date. It should also include the rate(s) charged for the service.⁸ Please also provide copies of any subsequent revisions or amendments to any such agreements.
6. For each interagency agreement, in addition to providing the rates charged for the service, please provide the volume used to determine the reported revenue in Library Reference USPS-FY22-NP27.
7. For each interagency agreement, please provide the underlying cost models or calculations that support the costs reported in the Preface to Library Reference USPS-FY22-NP27.

By the Chairman.

Michael Kubayanda

⁷ Library Reference USPS-FY-NP27, file "USPS_FY22_NP27_Preface.pdf," at 5.

⁸ See 39 U.S.C. § 3705(a)(1) (the Postal Service shall report on "costs, revenues, [and] rates . . ." (emphasis added)).